

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

IN THE LAKE SUPERIOR COURT
CAUSE NO. 45D10-0206-PL-00082

STATE OF INDIANA,)
)
Plaintiff,)
)
v.)
)
DAVID GESMOND,)
individually and doing business as)
CORNERSTONE BUILDERS &)
DEVELOPMENT LLC, and)
CORNERSTONE BUILDERS &)
DEVELOPMENT, INC.)
)
Defendants.)

Filed in Open Court

APR 04 2003

Anna M. Anton
CLERK LAKE SUPERIOR COURT

CONSENT JUDGMENT

The Plaintiff, State of Indiana, by Attorney General Steve Carter and Deputy Attorney General Terry Tolliver, and the Defendants, David Gesmond, Cornerstone Builders & Development, LLC, and Cornerstone Builders & Development, Inc., on behalf of themselves and their officers, agents, servants, employees, and assigns (collectively "the Defendants"), by counsel, hereby agree to entry of a Consent Judgment without trial or adjudication of any issue of fact or law herein.

The parties believe it is in their best interest to resolve the issues raised by the State of Indiana and avoid further litigation. This Consent Judgment does not constitute an admission by the Defendant of any wrongdoing, nor shall it be construed as an abandonment by the Attorney General of his position that the Defendants violated Indiana's Home Improvement Contracts Act and Deceptive Consumer Sales Act. The parties consent to entry of a final judgment in this proceeding by the Court and accept this Consent Judgment as final on the issues resolved herein.

JURISDICTION AND SCOPE OF JUDGMENT

1. This Court has jurisdiction and venue over the subject matter of this action and the parties hereto.
2. The State of Indiana's Complaint for Injunction, Restitution, Costs, and Civil Penalties states a cause of action pursuant to the Indiana Deceptive Consumer Sales Act, Indiana Code §24-5-0.5-1, *et seq.*, and the Home Improvement Contracts Act, Ind. Code §24-5-11-1, *et seq.*
3. The Defendant, David Gesmond ("Gesmond"), is an individual who solicits business in Lake County as a home improvement contractor, doing business as Cornerstone Builders & Development LLC and Cornerstone Builders & Development, Inc., with a principal place of business at 9412 Larch Drive, Munster, Indiana.
4. The Defendant, Cornerstone Builders & Development LLC, is an Indiana Limited Liability Company, which solicits business in Lake County as a home improvement contractor with a principal place of business at 9412 Larch Drive, Munster, Indiana.
5. The Defendant, Cornerstone Builders & Development, Inc., is an Indiana Corporation, which solicits business in Lake County as a home improvement contractor with a principal place of business at 9412 Larch Drive, Munster, Indiana.

RELIEF ORDERED

6. The Defendants, their officers, agents, servants, employees, assigns, and attorneys, as well as those persons in active concert or participation with them, are permanently enjoined from engaging in the following acts and making, causing to be made, or permitting to be made the following representations:

- a. entering into a home improvement contract, as defined by Ind. Code §24-5-11-4, that is not in writing and does not contain the following:
 - (1) The name of the consumer and the address of the residential property that is the subject of the home improvement;
 - (2) The name and address of the home improvement supplier and each of the telephone numbers and names of any agent to whom consumer problems and inquiries can be directed;
 - (3) The date the home improvement contract was submitted to the consumer and any time limitation on the consumer's acceptance of the home improvement contract;
 - (4) A reasonably detailed description of the proposed home improvements;
 - (5) If the description required by Ind. Code §24-5-11-10(a)(4) does not include the specifications for the home improvement, a statement that the specifications will be provided to the consumer before commencing any work and that the home improvement contract is subject to the consumer's separate written and dated approval of the specifications;
 - (6) The approximate starting and completion date of the home improvements;

- (7) A statement of any contingencies that would materially change the approximate completion date;
 - (8) The home improvement contract price; and
 - (9) Signature lines for the home improvement supplier or the supplier's agent and for each consumer who is to be a party to the home improvement contract with a legible printed or a typed version of that person's name placed directly after or below the signature.
- b. obtaining a consumer's signature on a home improvement contract or requiring the consumer to make a down payment toward the price of the home improvement prior to the Defendant agreeing unequivocally by written signature to all the terms of the home improvement contract;
 - c. failing to provide the consumer with a fully executed copy of the home improvement contract, including the dates the Defendant and the consumer signed it, immediately after the consumer signs it;
 - d. representing expressly or by implication that the Defendants are able to deliver or complete the subject of a consumer transaction within a reasonable period of time, when the Defendants know or reasonably should know that they cannot.

7. The Defendants shall rescind the May 26, 2000 contract with Rita Bais and pay consumer restitution in the amount of Two Thousand Five Hundred and Forty Dollars (\$2,540.00) to the Office of the Attorney General on behalf of Rita Bais of St. John, Indiana. Alternatively, the Defendants may satisfy the restitution component of this Consent Judgment for these consumers by providing proof that the outstanding judgment in the Lake County Superior Court #3, 49D09-0101-SC-00070 has been fully satisfied.

8. The Defendants shall rescind the June 21, 2000 contract with Timothy and Diane Hipp and pay consumer restitution in the amount of Two Thousand and Seventy Dollars (\$2,070.00) to the Office of the Attorney General on behalf of Timothy and Diane Hipp of Crown Point, Indiana. Alternatively, the Defendants may satisfy the restitution component of this Consent Judgment for these consumers by providing proof that the outstanding judgment in the Lake County Superior Court #2, 49D08-0103-SC-01335 has been fully satisfied.

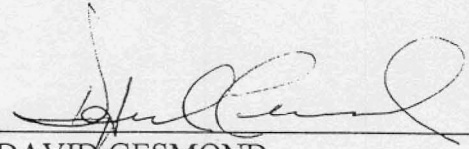
9. The Defendants shall pay the Office of the Attorney General, pursuant to Ind. Code § 24-5 -0.5-4(c)(3), the amount of One Thousand Dollars (\$1,000.00), representing the Plaintiff's costs of investigating and prosecuting this action.

CONTINUING JURISDICTION

10. For the purpose of enforcing the provisions of this Consent Judgment, the Defendants waive any objection regarding the Court's jurisdiction to punish for contempt and agree to appear on proper notice of a failure to comply with any of the provisions of this Judgment.

IN WITNESS WHEREOF, the parties have executed this Consent Judgment this 31st
day of March, 2003.

STATE OF INDIANA
STEVE CARTER
Indiana Attorney General

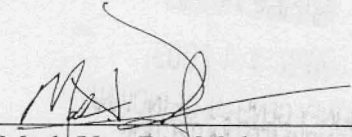

DAVID GESMOND

CORNERSTONE BUILDERS &
DEVELOPMENT, INC., and
CORNERSTONE BUILDERS &
DEVELOPMENT, LLC.,

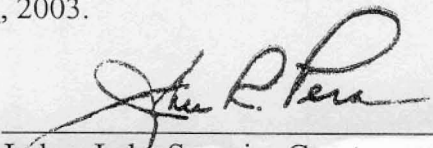
by: Terry Tolliver
Terry Tolliver
Deputy Attorney General
Attorney No. 22556-49

by: Sue Henley
Sue Henley, Registered Agent

Approved:


Mark Van Der Molen
Counsel for the Defendants

ALL OF WHICH IS APPROVED, ORDERED, ADJUDGED AND DECREED
this 4th day of April, 2003.


Judge, Lake Superior Court

Distribution:

Terry Tolliver
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Indianapolis, IN 46204

David Gesmond,
Cornerstone Builders & Development, LLC, and
Cornerstone Builders & Development, Inc.
c/o Mark Van Der Molen
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Merrillville, IN 46410